

# IMPLEMENTATION OF PPPS FOR TRANSIT

## *FINANCING TRANSIT PPPS*

FTA – PPP WORKSHOPS  
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# Los Angeles County Covers 4,084 Sq. Miles

- Total county population: 10.2 million
  - 88 cities - 5.1 million
  - Los Angeles – 4 million
  - Unincorporated county- 1.1 million
  - Larger than 42 states (just behind Ohio)



# Los Angeles County Metropolitan Transportation Authority (Metro)

*Is different from other transit agencies because it is the . . .*



regional  
transportation  
planner;



regional builder;



and the regional  
transit operator

*.... for Los Angeles County.*

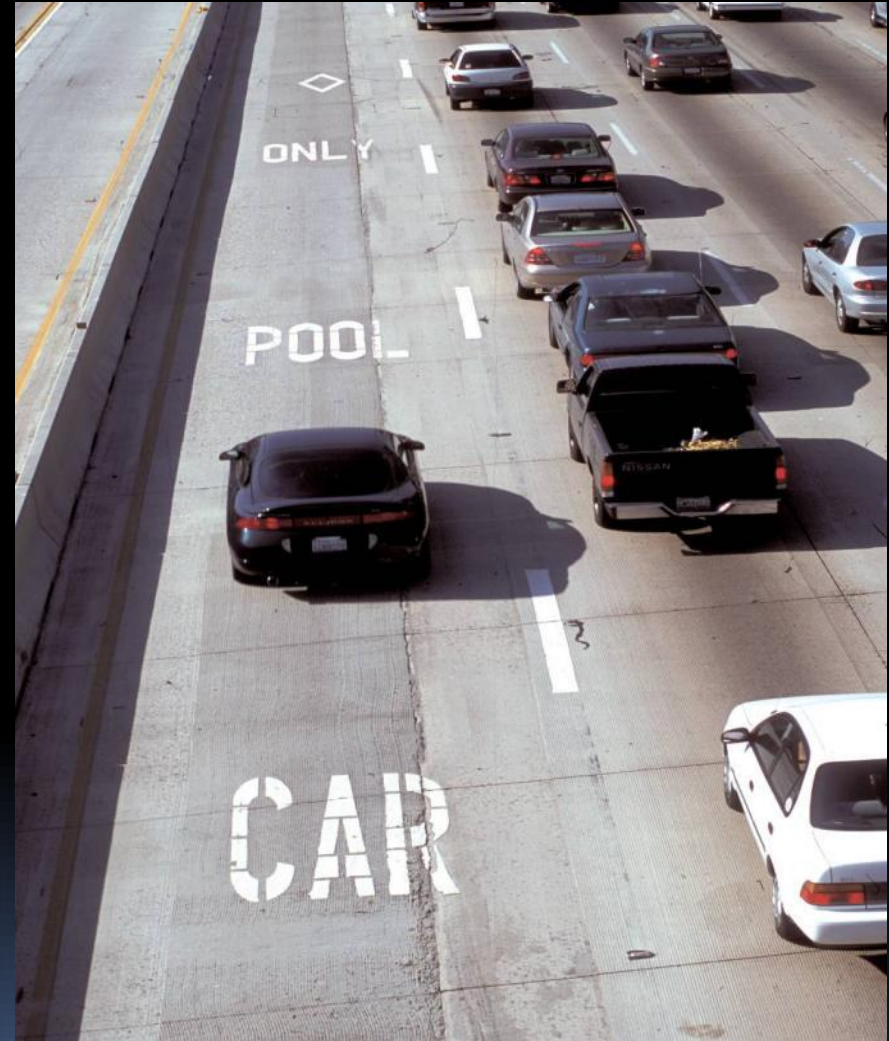


# 73 Miles of Metro Rail – 63 Stations – 225 Rail Cars



Metro

# 447 Miles of HOV Lanes

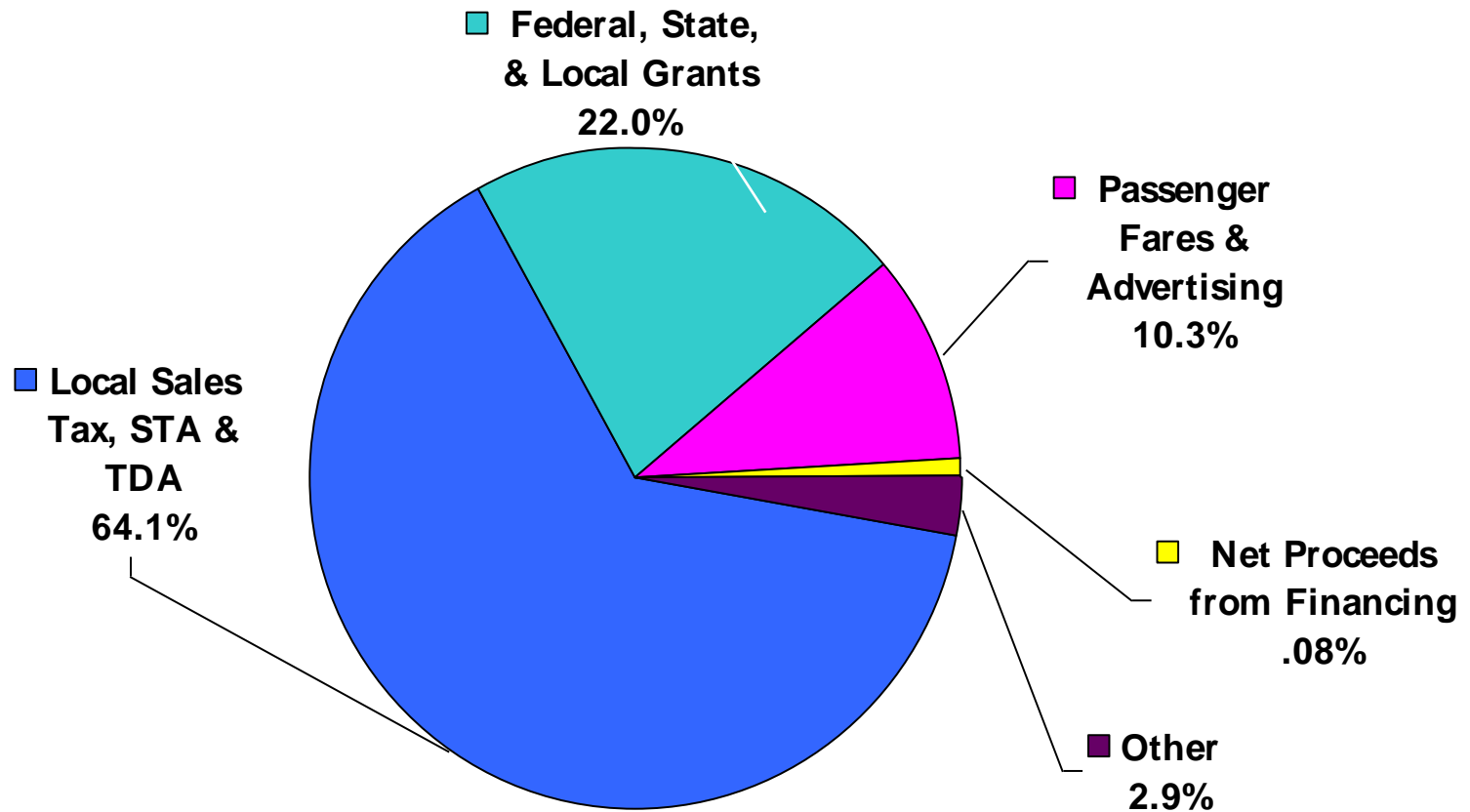


Metro



# Fiscal Year 2009 Operating Budget Resources \$3.4 Billion

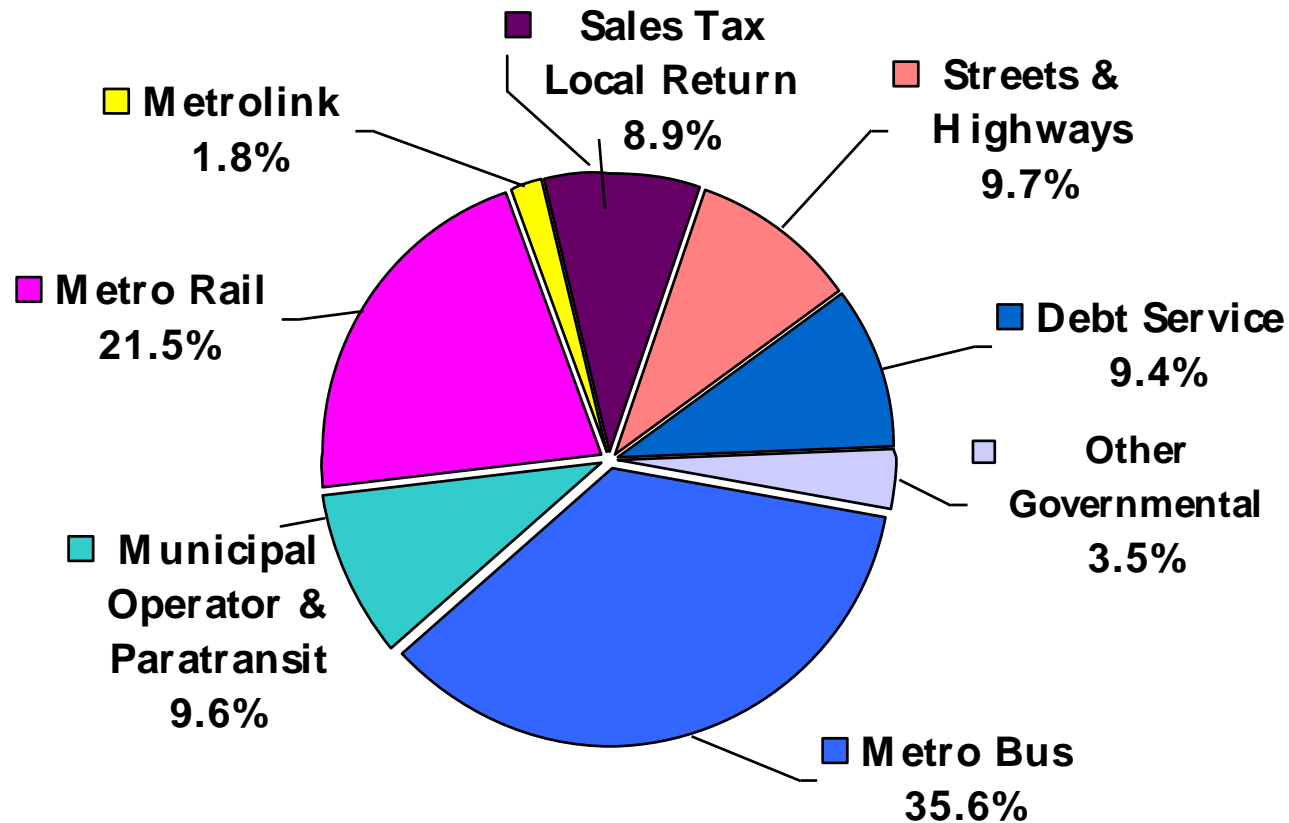
## Summary of Funding by Source (%)



# Fiscal Year 2009 Operating Budget - Expenses

## \$3.4 Billion

### Summary of Expenses/Expenditures by Program (%)



# “Measure R”

- ½ -cent local sales tax
- \$35 – \$40 billion over 40 years



# Land Use/Transportation Challenge

- Adding 2 million more people to our urban landscape
- Development impacts transportation
- Building further out increases trip length, travel time and traffic impact on communities
- Sprawl reduces speed



# Financial Challenge

*While population and mobility needs continue to increase...*

- Federal and state operating funds have declined
- Transportation capital and operating costs have increased

# Public-Private Partnership

- Can private capital be leveraged to deliver and/or operate projects faster & cheaper
- Limited experience in the United States



# METRO'S PUBLIC-PRIVATE PARTNERSHIP PROGRAM



# How Do We Increase Financial Capability?

- Activate potential new private sources
- Maximize leverage provided
- Maximize use of flexible and fungible revenue
- Minimize annual debt service payments
- Phase spending to reflect revenue

# PPP Program Objectives

- Accelerating delivery to improve service
- Reducing costs through contracting and construction methods
- Develop projects integrated with existing transit/highway infrastructure
- Allocating risk

# How Do We Begin?

- Metro retained program management and advisory consulting team
  - InfraConsult LLC
    - KPMG LLP
    - Nossaman LLP
    - Halcrow Inc.
    - Sharon Greene + Associates
    - Englander & Associates
- Initial activities underway
  - Primary screening criteria - LRTP and “Measure R”
  - Preliminary screening of all projects
  - Development of financial assumptions
  - Readiness assessment
    - Risk analysis
    - Technical and operational considerations



# Project Approach

- Projects with greatest likelihood of success:
  - Clearly defined (i.e., draft EIR/EIS), high-priority, non-controversial project with demonstrated public sector commitment
  - Fair risk allocation
  - Transparent, well-defined procurement process, experienced public sector staff



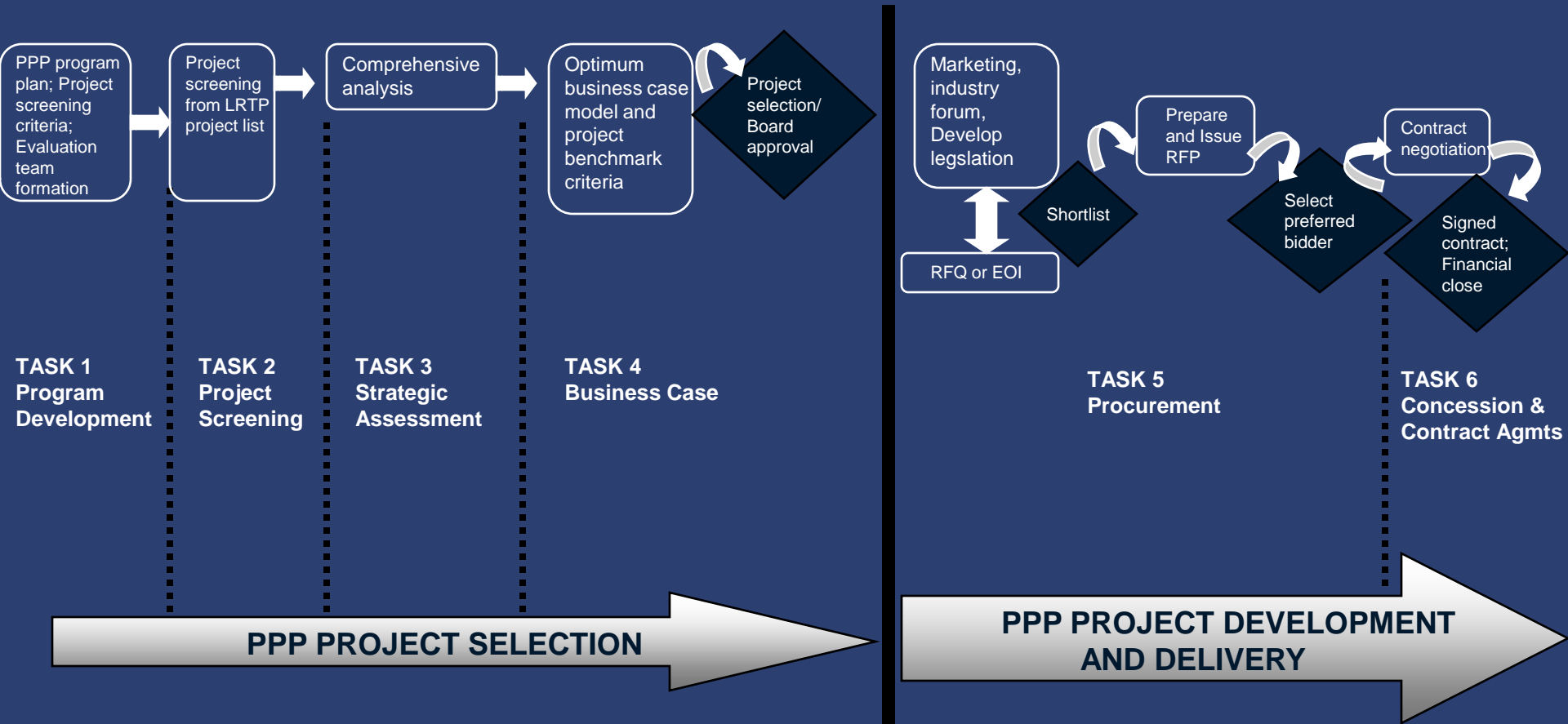
# Program Management

- Strategic planning and management
- Financial feasibility
- Technical business analysis
- Legislative analysis/remedies
- Risk assessment
- Strategic marketing/stakeholder outreach

# Sector Roles and Responsibilities

- Public Partner – Project definition
  - Environmental clearance
  - Stakeholder support
  - Political commitment
  - Financial Feasibility
  - Well-defined, transparent procurement process
- Private Partner – Project realization
  - Funding/financing
  - Design/construction
  - Operation/management

# Public Private Partnership (PPP) Process



# Initial Program Activities

